

DHCD WINTER NEWSLETTER

December 2012

Governor Patrick Announces New Housing Initiative at DHCD Conference



Governor Deval Patrick announced goal of 10,000 new multi-family housing units at DHCD Housing Conference.

At “Under One Roof,” the Commonwealth’s first Housing and Community Development Conference in more than a decade, Governor Patrick outlined initiatives designed to produce 10,000 multi-family units of housing per year, the first production goal of this kind set by any state in the country. “Access to housing for our middle- and moderate-income families is an important component in the Commonwealth’s continued growth to retain and build our young and innovative workforce,” said Governor Patrick. “By working to strengthen and expand our current

initiatives and through greater collaboration with organizations and agencies across the Commonwealth, we aim to produce 10,000 multi-family housing units annually. This will further support our state’s continued growth and economic competitiveness for generations to come.”

At the Conference, Governor Patrick also outlined the new Compact Neighborhoods Initiative. Compact Neighborhoods, like the Chapter 40R Smart Growth statute, will provide incentives to encourage residential development near transit and town centers. The program will offer possible Chapter 40B relief and priority consideration in discretionary funding programs, such as the Infrastructure Program. This initiative is based on the Commonwealth’s strategy of recognizing communities that plan ahead systematically for economic and housing growth.

Increasing affordable and market-rate housing for families and individuals is part of the Patrick-Murray



Secretary Greg Bialecki discusses linking housing and economic development at DHCD’s “Under One Roof” Conference.

Administration’s comprehensive plan for improving housing at all levels.

Compact Neighborhoods joins a number of existing programs that are being expanded or re-funded in an effort to expand available options for cities and towns and help meet the goal of 10,000 new multi-family housing units per year.





A Message From Undersecretary Gornstein

Dear Colleagues,

As we prepare to enter the New Year, I've been reflecting on my first year at the Department of Housing and Community Development. With strong support from Governor Patrick, Lieutenant Governor Murray, Secretary Bialecki, and the Massachusetts Legislature we've been able to make significant progress in addressing the housing and community development needs of the Commonwealth.

We awarded funds to create 2,000 affordable homes through an expedited review process and instituted a new pre-application process for the fall rental round. Since May, we have received an increase of \$20 million in our capital budget for the production and preservation of affordable housing. But with your help, we've gone beyond that to implement some exciting initiatives. We began an expanded RAFT program that has already helped more than 1,000 families avoid homelessness, and we have issued 700 new state rental vouchers to help families secure permanent affordable housing. We launched the Housing Development Incentive Program to help revitalize our gateway cities and are now starting up the Community Investment Program to increase the capacity of our non-profit Community Development Corporations. The recently completed Public Housing Study Commission provides an important blueprint for preserving state public housing while implementing key reforms to increase transparency and accountability. We also provided \$2.2 million in capital funds to re-occupy at least 200 vacant public housing units.

As we begin 2013, the Governor and Lt. Governor have announced two ambitious goals: the creation of 10,000 multi-family homes each year and the development of 1,000 units of supportive housing for low income families, seniors, veterans, and people with disabilities over the next three years. It's an exciting time to be at the Department of Housing and Community Development and I look forward to working with each of you on our key initiatives. Your direct involvement and input into our policies and programs is making a real difference. Make sure you visit our mass.gov/dhcd often or follow the Department on Twitter ([MA_DHCD](https://twitter.com/MA_DHCD)) for the latest news and information. Happy holidays and best wishes for the New Year —

Aaron Gornstein

DHCD Files Final Emergency Assistance Regulations

The Department of Housing and Community Development filed on Friday, Nov. 23, final regulations regarding the Emergency Assistance housing program that will continue to invest in homelessness prevention and permanent housing solutions, while maintaining a strong safety net for those who need immediate housing help.

"These regulations maintain the Patrick-Murray Administration's new investments in preventing homelessness and seeking permanent housing solutions for families, while also keeping in place one of the best safety nets in the country for families with immediate needs," said Aaron Gornstein, the Undersecretary of Housing and Community Development. "With the input received from the Legislature and stakeholders, we are taking another step forward in our fight to substantially reduce homelessness in Massachusetts."

The final regulations will update regulations put in place in September, and include changes that will give more flexibility to families seeking emergency housing. The regulations create new opportunities for families who are in homes that are in poor condition, evicted from their home for no stated reason, are living with other families in crowded homes, or need a health and safety referral by the Department of Children and Families to assess their current housing situation.

The final regulations, which went into effect Dec. 7, take into account testimony received at two public hearings across the state, meetings with members of the Legislature, and various stakeholder and advocacy organizations. The final reform includes seven regulatory and guidance changes as well as eight administrative changes. Also included in the final regulations are the 16 previous changes made during the legislative comment period.

Lt. Gov. Murray Announces Goal of 1,000 New Units of Supportive Housing by 2015

Lieutenant Governor Timothy Murray recently announced a first-in-the-nation, collaborative effort by 18 state agencies to create an additional 1,000 units of permanent, supportive housing in Massachusetts by 2015. Supportive housing, which is operated in conjunction with a network of non-profit agencies across the Commonwealth, includes not just a place to live for a family, but also services that could include child-care, access to job training, mental-health care, and other opportunities that give participants a helping hand. There are currently approximately 15,000 units of supportive housing in Massachusetts.



Lt. Governor Timothy Murray announces collaborative effort by 18 state agencies to create 1,000 units of supportive housing at Brockton event.

"Since day one, the Governor and I have been dedicated to reducing homelessness in the Commonwealth," said Lieutenant Governor Murray, Chair of the Interagency Council on Housing and Homelessness. "By offering families in need supportive housing options, we are not only ensuring they have a place to call home but also the right resources to remain stable, get back on their feet, and soon begin to provide for their family again."

The 18 agencies involved in a memorandum of understanding will partner to improve existing processes, make recommendations for new, collaborative efforts, and develop a long-range action plan to meet the need for supportive housing among the Commonwealth's residents. Supportive housing helps individuals and families that are homeless or facing homelessness, institutionalized or at-risk of institutionalization; people with

disabilities and the elderly. Additionally, the agencies will assess the extent of public cost-savings generated as a result of providing permanent supportive housing and will recommend strategic reinvestments.

"This supportive housing program will provide a clear pathway for participants from homelessness and emergency shelter towards stabilization and growth in permanently affordable housing," said Aaron Gornstein, Undersecretary for the Department of Housing and Community Development (DHCD).

"CSH applauds the Patrick-Murray Administration and state agencies throughout the Commonwealth in this ground breaking example of comprehensive interagency collaboration to use supportive housing as the scaffolding for improving systemic response to their most vulnerable residents," said Deborah De Santis, Corporation for Supportive Housing (CSH) President & CEO. "CSH looks forward to supporting the Commonwealth's implementation of this bold new effort to maximize public resources and build healthy communities."

In March, Governor Patrick signed "An Act Relative to Community Housing and Services," which increases coordination and efficiency across government agencies by requiring these agencies to commit to working together through a legally-binding MOU to create a demonstration program resulting in up to 1,000 new permanent supportive housing units, and requires administrative action to promote supportive housing and to establish benchmarks to assess progress.



Lt. Gov. Murray & Brockton Mayor Balzotti watch as DHCD Undersecretary Gornstein signs the supportive housing MOU.

Public Housing Revitalization and Reforms Move Forward

Since the end of the Governor's Commission for Public Housing Sustainability and Reform, DHCD has convened a Public Housing Advisory Committee, open to Commission members and expanded with additional participants representing public housing stakeholders and other housing experts, who have provided guidance to DHCD through continued policy discussions, further definition and implementation of the Commission's recommendations. Additionally, the Advisory Committee formed the following 3 smaller working groups to develop detailed recommendations and work on implementation:

- Resident Services and Supports
- Asset Management and Governance
- Preservation, Funding and Mixed-Finance

Working Group Updates

Resident Services and Supports

Unlike Federal Public Housing programs, state-aided public housing dollars are required to go directly towards the housing and are not permitted to be spent flexibly on support services. This means that Local Housing Authorities (LHAs) are left to pursue private funding sources if they choose to seek support for children, youth, and parents in State Public Housing. In an effort to address this gap in programs, DHCD, with help from the working group, is developing a proposal for a Family Economic Mobility Initiative which would seek to address these issues by creating an annual pool of funds dedicated to helping families in State Public Housing become healthier, better-off, and more self-sufficient. This pool would be made available to LHAs via competitive application process to support whole family development activities.

Preservation, Funding & Mixed-Finance

The working group and DHCD are proposing to file legislative language which provides the department with relief from the requirement to replace any public housing units that are disposed of.

There are a very small number of units that have become so seriously deteriorated that it is not financially feasible for us to rehabilitate them with the very limited capital funds available. As time passes, these units continue to degrade, lose resale value, and in some cases become dangers to the neighborhood and a harm to the reputation of the local housing authority and DHCD. This proposal authorizes DHCD to approve the sale, without replacement, of this small number of units (estimated at 30 to 70 units or about 1/10th of 1% of the state portfolio).

Administrative Reforms

In addition to reforms which require statutory language, DHCD has continued to implement the administrative reforms established alongside the FY13 budget and recommended by the Commission. Reforms were crafted to recognize that while the state provides funding to LHAs, it does not directly manage or oversee the authorities' finances. These reforms focus on increasing transparency, setting standards in line with those of other independent authorities and reviewing the rules and penalties for non-compliance.

Over the past year DHCD has worked to develop and implement a number of the administrative reforms, the most important of which are:

- \$160,000 cap on executive director's total compensation,
- Mandatory reporting of the top five highest paid staff, and
- More robust board certifications regarding budgets, executive director contracts and financial reports.

Over the next few months DHCD will continue to implement the remainder of the administrative reforms, which include mandatory annual training for all board members and the requirement that all LHAs conduct an annual independent financial audit, with the auditing firm procured by the LHA every three years.

More than 200,000 Families to Receive Help Paying Their Heating Bills

Massachusetts has received \$141 million in federal funding for the Low Income Home Energy Assistance Program (LIHEAP). This is an increase of \$8.2 million over the previous year's funding level. The funding will be allocated to 22 local administering agencies that will distribute benefits to over 200,000 Massachusetts households in need.

"As the temperature continues to drop across the Commonwealth and the price of oil remains high, this critical funding will ensure that our seniors and families in need will feel secure knowing they can heat their homes this winter," said Governor Deval Patrick. "I want to thank our Congressional delegation and the Obama Administration for their continued support of Massachusetts families."

"As we head into the cold winter months, LIHEAP continues to be a valuable resource for our residents in need," said Lieutenant Governor Timothy Murray. "Governor Patrick and I thank our congressional delegation for their strong advocacy for increased funding for the Commonwealth so that Massachusetts residents struggling to pay their heating bills this winter will receive immediate assistance."

The fuel assistance funds provide eligible households with help in paying a portion of their winter heating bills. Eligibility for the program is based on household size and the gross annual income of every household member, 18 years of age or older. The maximum income eligibility for LIHEAP is 60 percent of estimated state median income. Benefit levels vary depending on household income. Nationwide LIHEAP assists more than 4.6 million low-income Americans in paying their heating bills.

Massachusetts will receive 90 percent of its allocated funding today and based on previous years the Administration anticipates the final 10 percent released by HHS in January. In September, Governor Patrick led a bipartisan effort with 13 other Governors urging Congress to fully fund the LIHEAP program, in any funding agreement for FY 2013, at last year's funding levels.

Winter Energy Savings Tips

- Caulk and weatherstrip doors and windows that leak air.
- When the fireplace is not in use, keep the flue damper tightly closed.
- Set your thermostat as low as is comfortable and consider an automatic setback thermostat to save additional money.
- Clean or replace filters on furnaces every other month.
- Make sure that warm air registers, baseboard heaters and radiators are not blocked by furniture, carpeting, or drapes.
- Close your curtains and shades at night; open them during the day.
- Have your oil-fired heating system serviced annually and your gas-fired heating system serviced every three years.
- Contact the energy assistance agency in your community to find out about the programs they offer that can keep you warm this winter.

Updates From Around the Commonwealth



Betsy DeWitt, Chair of the Brookline Board of Selectmen, spoke at the Open House celebrating the sales of 24 affordable condominium homes at Olmsted Hill on October 20, 2012. DHCD's Local Initiative Program approved 12 of the affordable condos as Local Action Units, six of which were HOME-funded. The project is a great example of cohesive neighborhood design, as well as the hard work and cooperation of multiple stakeholders to turn former state- and town-owned reservoir sites into a neighborhood that combines affordable family condos with market-rate single family homes in Brookline behind Newbury College.



75 Cross Street is a new construction project that will provide eight units of housing for formerly homeless families. The Somerville Community Corporation received \$1 million in Department of Housing and Community Development subsidies for the project. The project was built on a site of an abandoned condominium project that was a blight on its neighborhood in East Somerville. The Somerville Coalition for Homeless Families will provide support services.

FAST FACTS

Residential Assistance for Families in Transition (RAFT)

The Patrick-Murray Administration has increased the RAFT program budget from \$276,000 to \$8,760,000.

HomeBASE

This program continues to provide up to \$4,000 in a household assistance to families as an alternative to shelter and now also provides up to \$4,000 for families to exit shelter.

Massachusetts Rental Voucher Program

The Administration also secured \$6 million in additional funds for the Massachusetts Rental Voucher Program that will provide rental assistance to over 700 families in FY13.

In Brief:

Veterans' Housing: DHCD has been actively working with the Department of Veterans' Services and the Interagency Council on Housing and Homelessness to complete a Massachusetts Plan to End Homelessness Among Veterans. The plan, which is expected to be released in early 2013, focuses on reducing the number of homeless veterans by 1,000 by 2015.

Rental Housing Production: Through an extensive outreach process, DHCD has implemented a pre-application process for our rental housing development rounds. DHCD has also sharpened its focus by instituting four priority categories: serving extremely low income households; preserving existing affordable housing; revitalizing gateway cities; and creating housing in areas of opportunity, including access to jobs, transportation, and good schools. Announcements of the current rental round (proposals were due in October) will be made in early 2013.

Foreclosed Properties: DHCD recently received a \$2 million grant award from the Attorney General's Office to assist in the acquisition and rehabilitation of foreclosed properties. With this funding, DHCD will be able to continue to assist the Neighborhood Stabilization Loan Fund, which is administered by the Massachusetts Housing Investment Corporation and the Massachusetts Housing Partnership. The funds come from the Attorney General's HomeCorps Partnership Grants.

Preservation Strategies: Working closely with our quasi-public partners, including the Community Economic Development Assistance Corporation, DHCD has been successfully implementing the state's landmark preservation legislation (Chapter 40T). Since passage of the law in 2009, the state has been able to preserve more than 7,500 units of affordable housing. In addition, since the law took effect not a single apartment has been lost to market rate housing when an affordable housing property has been sold. DHCD is now working with the Preservation Advisory Committee to modify guidelines and regulations regarding "exempt transactions" and the process for selecting a designee under the statute's right of first refusal provision. DHCD has also started a new initiative to utilize federal enhanced vouchers as project-based funding to enable even more projects to be preserved.

Housing Development Incentive Program: This fall, the Governor announced the first HDIP award in Pittsfield, which involves a state tax credit to create market rate housing in the Gateway Cities. The Onoto/Howard project will add 39 units of market rate housing and 10 retail spaces. The development will complement public investments the city has already made in the Downtown Arts Overlay District and a comprehensive streetscape program totaling \$11 million that is in its final phase. DHCD has also approved HDIP zones in the cities of Lowell and Chelsea, which is the first step in funding specific housing developments under HDIP.

Support for CDCs: DHCD has certified 27 Community Development Corporations under a formal certification process and is working with the Massachusetts Association of CDCs and an advisory group to begin the new Community Investment Program under the recently passed Community Development Partnership Act. Following the adoption of regulations, DHCD will be issuing a NOFA in early 2013 to provide grants to build organizational capacity among the CDCs so they may increase economic opportunities for low and moderate income residents. The grants will be followed by a tax credit program in late 2013 authorized under the Act, which will leverage private sector support for community economic development plans and activities across the Commonwealth.